How Gas Prices Work Student Research Log

Name

_____ Date _____

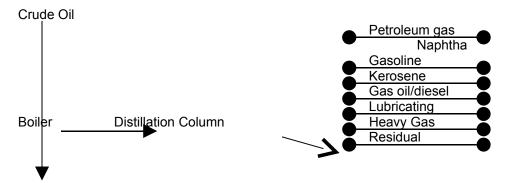
Tasks:

- 1. Print out the reading: <u>http://www.howstuffworks.com/gas-price.htm/printable</u>
- 2. Begin reading "How Gas Prices Work."
- In the section "Guzzling Gas in America" Select the Department of Energy web connection and print out today's Gasoline Update for you records. You will need the data there to construct a spreadsheet and/or create your own graphics.
- 4. Review Chart 1

Historical Gas Prices

Year	Adjusted for inflation 2000 dollar	Unadjusted for inflation
1950	1.91	.27
1955	1.85	.30
1960	1.79	.31
1965	1.68	.31
1970	1.59	.35
1975	1.80	.53
1980	2.59	1.13
1985	1.90	1.19
1990	1.51	1.13
1995	1.28	1.14
2001	1.66	1.66

- 5. Big Questions to Think About: When you have completed the research log, select two of these questions and prepare your answers.
 - What happened in the 1970's 1980 to prices and why?
 - What has happened to the real price of gasoline?
 - What effect would that change have on purchases of automobiles?
 - What signal did this send to consumers?
 - How did consumers react in their choices of vehicles?
- 6. Oil pumped from underground does not immediately head for your neighborhood gasoline station. It must be refined. Select the highlighted "refineries" in the Guzzling Gas in America. While there complete the refining steps below:



7. Where does the oil come from? Name the non-OPEC and OPEC producers:

	0.20
United States	Algeria
Mexico	Indonesia
Canada	Iran
Angola	Iraq
Equatorial Guinea	Kuwait
Russia	Libya
China	Nigeria
	Qatar
	United Arab Emirates
	Venezuela
	Saudi Arabia

8. Where in the U.S. is oil pumped?

Non-OPEC

Gulf of Mexico	Texas	East New Mexico	Alaska
Louisiana	California	Oklahoma	Arizona

OPEC

9. When you buy a gallon of gasoline – where does that money go? At the Department of Energy hot link you will find a gas pump graphic to fill in the rest of this worksheet.

Item	April 2001	Your Research Date:
Retail Price Per gallon	\$1.55	
Distribution & Marketing	5% \$.08	% \$
Taxes	27% \$.42	% \$
Refining	32% \$.49	% \$
Crude Oil	37% \$.56	% \$

- 10. After reading the article return to the Global Gas Prices chart and provide a hypothesis to the following if:
 - a) Hong Kong and Seoul, South Korea are relatively near Indonesia, why is there such a large per gallon difference in prices?
 - b) What generalization could be made about the least expensive per gallon of gas countries?
 - c) What generalization could be made about the most expensive per gallon of gas countries?
- 11. Check it out for yourself use the Gas buddy hot link to check out prices in your state and near your zip code. How does your price per gallon compare to where others in your family might live (round up zip codes from other friends and family members).

Copyright © Council for Economic Education